

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature <i>Siegfried Crandall P.C.</i>			Date	

*Charter Township of Gun Plain*  
*Allegan County, Michigan*  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2005*

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

***Charter Township of Gun Plain***  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Our discussion and analysis of the Charter Township of Gun Plain's (the Township), financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended March 31, 2005. Please read it in conjunction with the Township's financial statements.

**FINANCIAL HIGHLIGHTS**

- The Township's total net assets increased by \$45,527 (one percent) as a result of this year's activities. Net assets of the governmental activities increased by \$131,379, and net assets of the business-type activities decreased by \$85,852.
- Of the \$4,902,585 total net assets reported, \$1,981,851 (40 percent) is unrestricted, or available to be used at the Board's discretion.
- The General Fund's unreserved, undesignated fund balance at the end of the fiscal year was \$510,746, which represents 62 percent of the actual total expenditures of the General Fund for the current fiscal year.

**Overview of the financial statements**

The Township's basic financial statements are comprised of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township, reporting the Township's operations in more detail than the government-wide financial statements.
  - Governmental fund statements tell how general government services, like public safety, were financed in the short-term, as well as what remains for future spending.
  - Proprietary fund statements offer short- and long-term financial information about the activities the government operates like a business, such as the sewer and water systems.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Because this is the first year of this reporting format, a comparative analysis of the basic financial statements was not practicable. Comparative analyses of the basic financial statements will be made in subsequent years.

**Charter Township of Gun Plain**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Government-wide financial statements**

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Township's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the Township's net assets and how they have changed. Net assets (the difference between the Township's assets and liabilities) is one way to measure the Township's financial health, or position.

- Over time, increases or decreases in the Township's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township, you need to consider additional nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's capital assets.

The government-wide financial statements are divided into two categories:

- *Governmental activities* - Most of the Township's basic services are included here, such as fire and police protection and general government. State shared revenue and property taxes finance most of these activities.
- *Business-type activities* - The Township charges fees to customers to help it cover the costs of certain services it provides. The Township's sewer and water systems are reported here as well as its construction code inspection services.

**Fund financial statements**

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and by bond agreements.
- The Township Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and other revenues.

The Township has two kinds of funds:

- *Governmental funds*. Most of the Township's basic services are included in governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out and, (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.

- *Proprietary funds.* Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the Township's enterprise funds are the same as its business-type activities but provide more detail and additional information, such as cash flows.

**FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE**

**Net assets.** Total net assets at the end of the fiscal year were \$3,394,274, a decrease of 2 percent compared to the prior year. Of this total, \$2,377,191 is invested in capital assets. Consequently, unrestricted net assets were \$1,017,083, or 30 percent of the total.

	<i>Governmental activities</i>	<i>Business-type activities</i>	<i>Totals</i>
Current assets	\$ 1,020,413	\$ 714,925	\$ 1,735,338
Noncurrent assets	<u>513,543</u>	<u>3,951,249</u>	<u>4,464,792</u>
<b>Total assets</b>	<b><u>1,533,956</u></b>	<b><u>4,666,174</u></b>	<b><u>6,200,130</u></b>
Current liabilities	25,645	151,900	177,545
Noncurrent liabilities	<u>-</u>	<u>1,120,000</u>	<u>1,120,000</u>
<b>Total liabilities</b>	<b><u>25,645</u></b>	<b><u>1,271,900</u></b>	<b><u>1,297,545</u></b>
Net assets:			
Invested in capital assets, net of related debt	543,543	2,377,191	2,920,734
Unrestricted	<u>964,768</u>	<u>1,017,083</u>	<u>1,981,851</u>
<b>Total net assets</b>	<b><u>\$ 1,508,311</u></b>	<b><u>\$ 3,394,274</u></b>	<b><u>\$ 4,902,585</u></b>

**Changes in net assets.** The Township's total revenues are \$1,248,123. Over 31 percent of the revenues come from charges for services, primarily from sewer and water services. Nearly 31 percent of the total revenues come from state shared revenue while property taxes account for 26 percent of the total revenues.

**Charter Township of Gun Plain**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The total cost of all the Township's programs, covering a wide range of services, totaled \$1,202,596. Over 37 percent of the Township's costs relate to the provision of utility services. General government costs account for 36 percent of the Township's total costs and public safety costs represent 18 percent.

	<u>Governmental activities</u>	<u>Percent</u>	<u>Business- type activities</u>	<u>Percent</u>	<u>Totals</u>	<u>Percent</u>
Revenues						
Program revenues:						
Charges for services	\$ 118,749	13%	\$ 270,816	75%	\$ 389,565	31%
Operating grant	5,086	1%	-	0%	5,086	0%
Capital contributions	30,000	3%	84,603	23%	114,603	9%
General revenues:						
Property taxes	328,830	37%	-	0%	328,830	26%
State grants	385,210	44%	-	0%	385,210	31%
Cable franchise fees	16,397	2%	-	0%	16,397	2%
Other	659	0%	7,773	2%	8,432	1%
<b>Total revenues</b>	<b>884,931</b>	<b>100%</b>	<b>363,192</b>	<b>100%</b>	<b>1,248,123</b>	<b>100%</b>
Expenses:						
General government	427,872	57%	-	0%	427,872	36%
Public safety	220,681	29%	-	0%	220,681	18%
Public works	81,914	11%	-	0%	81,914	7%
Culture and recreation	6,860	1%	-	0%	6,860	1%
Sewer	-	0%	297,521	66%	297,521	24%
Water	-	0%	151,523	34%	151,523	13%
Other	16,225	2%	-	0%	16,225	1%
<b>Total expenses</b>	<b>753,552</b>	<b>100%</b>	<b>449,044</b>	<b>100%</b>	<b>1,202,596</b>	<b>100%</b>
<b>Increase in net assets</b>	<b>\$ 131,379</b>		<b>\$ (85,852)</b>		<b>\$ 45,527</b>	

**Governmental activities**

Governmental activities increased the Township's net assets by \$131,379. The key factors for this increase include the receipt of a \$30,000 capital grant for a new fire truck, the increase in property tax revenue of \$14,000, and the conservative spending habits of the Township Board.

The cost of all governmental activities this year was \$753,552. After subtracting the direct charges to those who directly benefited from the programs \$(118,749), and operating and capital grants \$(35,086), the "public benefit" portion covered by property taxes, state revenue sharing, and other general revenues was \$599,717.



**Charter Township of Gun Plain**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Business-type activities**

Business-type activities decreased the Township's net assets by \$85,852. The decrease was the result of debt service charges being insufficient sewer debt service charges and the costs to repair two water wells.

**FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS**

**Governmental funds**

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$964,768, a decrease of \$7,807 in comparison with the prior year. The decrease occurred because expenses went up more than revenues. The total fund balances are unreserved, meaning they are available for spending at the Board's discretion; however, the Board has designated \$376,366 of the fund balances for specific purposes.

The General Fund is the chief operating fund of the Township. At the end of the fiscal year, unreserved fund balance was \$887,112, which represents 108 percent of the actual total expenditures of the General Fund for the current fiscal year. The fund balance of the General Fund decreased by \$3,653 during the fiscal year primarily due to capital outlay expenditures in excess of \$64,000.

The Cemetery Fund experienced a decrease in fund balance of \$4,154. The decrease occurred because of a decrease in burials.

**Proprietary funds**

The Sewer Fund experienced a decrease in net assets in the amount of \$14,670 because debt services charges were insufficient to cover debt service costs. Net assets were \$1,820,119 at year-end of which \$856,062 were unrestricted.

The Water Fund experienced a decrease in net assets in the amount of \$71,182 due to the costs of repairing two wells. Net assets were \$1,574,155 at year-end of which \$161,021 were unrestricted.

**General fund budgetary highlights**

It was unnecessary for the Board to amend the budgeted expenditures of the General Fund during the year as total actual expenditures were \$133,090 less than the amount originally budgeted. The entire cost of the new fire truck, amounting to \$100,000, was included in the budget but the purchase was delayed into the next fiscal year.

**Charter Township of Gun Plain**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

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**Capital assets and debt administration**

*Capital assets*

The Township's investment in capital assets for its governmental and business-type activities as of March 31, 2005, amounts to \$4,130,734 (net of accumulated depreciation). This investment includes a broad range of assets, including buildings, fire equipment, road improvements, and sewer and water facilities. The increase in the Township's net investment in capital assets for the current fiscal year was \$40,150.

Major capital asset events during the current fiscal year included the following:

- Road improvements on 110<sup>th</sup> Avenue totaling \$120,962
- Purchase of a police car for \$27,447

More detailed information about the Township's capital assets is presented in Note 5 of the notes to the basic financial statements.

*Long-term debt*

At the end of the fiscal year, the Township had total long-term obligations outstanding in the amount of \$1,240,000 which represents a decrease of \$120,000.

During the year ended March 31, 2005, the Township reduced its long-term debt through the scheduled principal payments on each of its three bond issues related to the Sewer Fund. Total retirements amounted to \$120,000.

More detailed information about the Township's long-term liabilities is presented in Note 6 of the notes to the basic financial statements.

**Economic condition and outlook**

The budget for the subsequent year anticipates expenditures totaling \$1,027,291 with revenues sufficient to finance operations without using any fund balance.

**Contacting the Township's financial management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Joan Burnell, Township Treasurer  
Charter Township of Gun Plain  
381 8<sup>th</sup> Street, P.O. Box 146  
Plainwell, MI 49080

Phone: (269) 685-9471

## INDEPENDENT AUDITORS' REPORT

**Board of Trustees  
Charter Township of Gun Plain, Michigan**

**We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Charter Township of Gun Plain, Michigan, as of March 31, 2005, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.**

**We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.**

**In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Charter Township of Gun Plain, Michigan, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.**

**As described in Note 11, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of April 1, 2004.**

The management's discussion and analysis and budgetary comparison information on pages i through vii and 24 through 25, are not required parts of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Sigfried Crandall P.C.*

July 26, 2005

## **BASIC FINANCIAL STATEMENTS**

**Charter Township of Gun Plain**  
**STATEMENT OF NET ASSETS**  
*March 31, 2005*

	<u><b>Governmental activities</b></u>	<u><b>Business-type activities</b></u>	<u><b>Totals</b></u>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 467,290	\$ 592,568	\$ 1,059,858
Investments	440,688	-	440,688
Receivables, net	82,435	122,357	204,792
Prepays	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total current assets	<u>1,020,413</u>	<u>714,925</u>	<u>1,735,338</u>
Noncurrent assets:			
Receivables, net	-	334,058	334,058
Capital assets, net	<u>513,543</u>	<u>3,617,191</u>	<u>4,130,734</u>
Total noncurrent assets	<u>513,543</u>	<u>3,951,249</u>	<u>4,464,792</u>
Total assets	<u>1,533,956</u>	<u>4,666,174</u>	<u>6,200,130</u>
<b>LIABILITIES</b>			
Current liabilities:			
Payables	25,645	31,900	57,545
Bonds payable	<u>-</u>	<u>120,000</u>	<u>120,000</u>
Total current liabilities	<u>25,645</u>	<u>151,900</u>	<u>177,545</u>
Noncurrent liabilities:			
Bonds payable	<u>-</u>	<u>1,120,000</u>	<u>1,120,000</u>
Total liabilities	<u>25,645</u>	<u>1,271,900</u>	<u>1,297,545</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	543,543	2,377,191	2,920,734
Unrestricted	<u>964,768</u>	<u>1,017,083</u>	<u>1,981,851</u>
Total net assets	<u>\$ 1,508,311</u>	<u>\$ 3,394,274</u>	<u>\$ 4,902,585</u>

*See notes to the financial statements*

**Charter Township of Gun Plain**

**STATEMENT OF ACTIVITIES**

Year ended March 31, 2005

Functions/Programs	<u>Expenses</u>	<u>Program revenues</u>		
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>
Governmental activities:				
Legislative	\$ 12,599	\$ -	\$ -	\$ -
General government	427,872	45,730	-	-
Public safety	220,681	64,895	-	-
Public works	81,914	2,806	5,086	30,000
Community and economic development	3,626	5,318	-	-
Culture and recreation	6,860	-	-	-
Total governmental activities	<u>753,552</u>	<u>118,749</u>	<u>5,086</u>	<u>30,000</u>
Business-type activities:				
Sewer	297,521	171,971	-	84,603
Water	151,523	98,845	-	-
Total business-type activities	<u>449,044</u>	<u>270,816</u>	<u>-</u>	<u>84,603</u>
Totals	<u>\$ 1,202,596</u>	<u>\$ 389,565</u>	<u>\$ 5,086</u>	<u>\$ 114,603</u>

General revenues:  
 Property taxes  
 State shared revenue  
 Cable franchise fees  
 Unrestricted investment earnings  
 Other

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

**Net (expense) revenue and changes in net assets**

<b><u>Governmental activities</u></b>	<b><u>Business-type activities</u></b>	<b><u>Totals</u></b>
\$ (12,599)		\$ (12,599)
(382,142)		(382,142)
(155,786)		(155,786)
(44,022)		(44,022)
1,692		1,692
<u>(6,860)</u>		<u>(6,860)</u>
 <u>(599,717)</u>		 <u>(599,717)</u>
	\$ (40,947)	(40,947)
	<u>(52,678)</u>	<u>(52,678)</u>
	 <u>(93,625)</u>	 <u>(93,625)</u>
<u>(599,717)</u>	<u>(93,625)</u>	<u>(693,342)</u>
 328,830	-	328,830
385,210	-	385,210
16,397	-	16,397
109	7,773	7,882
<u>550</u>	<u>-</u>	<u>550</u>
<u>731,096</u>	<u>7,773</u>	<u>738,869</u>
 131,379	(85,852)	45,527
<u>1,376,932</u>	<u>3,480,126</u>	<u>4,857,058</u>
<u>\$ 1,508,311</u>	<u>\$ 3,394,274</u>	<u>\$ 4,902,585</u>

See notes to the financial statements



**Charter Township of Gun Plain**  
**BALANCE SHEET - governmental funds**  
March 31, 2005

	<u>General</u>	<u>Cemetery</u>	<u>Total governmental funds</u>
<b>ASSETS</b>			
Cash	\$ 389,760	\$ 77,530	\$ 467,290
Investments	440,688	-	440,688
Receivables, net	82,309	126	82,435
Total assets	<u>\$ 912,757</u>	<u>\$ 77,656</u>	<u>\$ 990,413</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Payables	<u>\$ 25,645</u>	<u>\$ -</u>	<u>\$ 25,645</u>
Fund balances:			
Unreserved:			
Designated	376,366	-	376,366
Undesignated	510,746	77,656	588,402
Total fund balances	<u>887,112</u>	<u>77,656</u>	964,768
Total liabilities and fund balances	<u>\$ 912,757</u>	<u>\$ 77,656</u>	

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds.

513,543

Prepaid expenses are not financial resources and, therefore, are not reported in the funds.

30,000

Net assets of *governmental activities* (page 5)

\$ 1,508,311

See notes to the financial statements

**Charter Township of Gun Plain****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN****FUND BALANCES - governmental funds***Year ended March 31, 2005*

	<u>General</u>	<u>Cemetery</u>	<u>Total governmental funds</u>
<b>REVENUES</b>			
Property taxes	\$ 328,830	\$ -	\$ 328,830
Licenses and permits	79,497	-	79,497
Federal grant	30,000	-	30,000
State grants	390,296	-	390,296
Charges for services	-	41,898	41,898
Fines and forfeitures	7,113	-	7,113
Interest	3,135	806	3,941
Other	3,356	-	3,356
	<u>842,227</u>	<u>42,704</u>	<u>884,931</u>
Total revenues			
<b>EXPENDITURES</b>			
Legislative	12,599	-	12,599
General government	339,179	70,521	409,700
Public safety	196,794	-	196,794
Public works	197,500	-	197,500
Community and economic development	3,626	-	3,626
Culture and recreation	6,860	-	6,860
Capital outlay	64,322	1,337	65,659
	<u>820,880</u>	<u>71,858</u>	<u>892,738</u>
Total expenditures			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>21,347</u>	<u>(29,154)</u>	<u>(7,807)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	25,000	25,000
Transfers out	(25,000)	-	(25,000)
	<u>(25,000)</u>	<u>25,000</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balances	(3,653)	(4,154)	(7,807)
<b>FUND BALANCES - BEGINNING</b>	<u>890,765</u>	<u>81,810</u>	<u>972,575</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 887,112</u>	<u>\$ 77,656</u>	<u>\$ 964,768</u>

*See notes to the financial statements*

**Charter Township of Gun Plain**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - governmental funds (Continued)**

*Year ended March 31, 2005*

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Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities.

Net change in fund balances - total governmental funds (page 8)	\$	(7,807)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Add - capital outlay	148,409
Add - deposit for equipment (prepaid)	30,000
Deduct - depreciation expense	<u>(39,223)</u>

Change in net assets of <i>governmental activities</i> (page 6)	\$	<u>131,379</u>
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*See notes to the financial statements*

**Charter Township of Gun Plain**  
**STATEMENT OF NET ASSETS - proprietary funds**  
*March 31, 2005*

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 441,191	\$ 151,377	\$ 592,568
Receivables, net	<u>110,000</u>	<u>12,357</u>	<u>122,357</u>
Total current assets	<u>551,191</u>	<u>163,734</u>	<u>714,925</u>
Noncurrent assets:			
Receivables, net	334,058	-	334,058
Capital assets, net of accumulated depreciation	<u>2,204,057</u>	<u>1,413,134</u>	<u>3,617,191</u>
Total noncurrent assets	<u>2,538,115</u>	<u>1,413,134</u>	<u>3,951,249</u>
Total assets	<u>3,089,306</u>	<u>1,576,868</u>	<u>4,666,174</u>
<b>LIABILITIES</b>			
Current liabilities:			
Payables	29,187	2,713	31,900
Bonds payable	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Total current liabilities	<u>149,187</u>	<u>2,713</u>	<u>151,900</u>
Noncurrent liabilities:			
Bonds payable	<u>1,120,000</u>	<u>-</u>	<u>1,120,000</u>
Total liabilities	<u>1,269,187</u>	<u>2,713</u>	<u>1,271,900</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	964,057	1,413,134	2,377,191
Unrestricted	<u>856,062</u>	<u>161,021</u>	<u>1,017,083</u>
Total net assets	<u>\$ 1,820,119</u>	<u>\$ 1,574,155</u>	<u>\$ 3,394,274</u>

*See notes to the financial statements*

**Charter Township of Gun Plain**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET ASSETS - proprietary funds**  
Year ended March 31, 2005

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 157,127	\$ 72,321	\$ 229,448
Other	<u>14,844</u>	<u>26,524</u>	<u>41,368</u>
Total operating revenues	<u>171,971</u>	<u>98,845</u>	<u>270,816</u>
<b>OPERATING EXPENSES</b>			
Personnel costs	2,100	6,000	8,100
Supplies	340	9,080	9,420
Contracted services	1,050	8,714	9,764
System operation and maintenance	38,733	65,396	104,129
Insurance	6,000	2,000	8,000
Utilities	14,288	6,313	20,601
Flow charges	104,915	-	104,915
Water fees	-	11,220	11,220
Depreciation	<u>68,596</u>	<u>42,800</u>	<u>111,396</u>
Total operating expenses	<u>236,022</u>	<u>151,523</u>	<u>387,545</u>
Operating loss	<u>(64,051)</u>	<u>(52,678)</u>	<u>(116,729)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Debt service charges	39,949	-	39,949
Special assessment interest	44,654	-	44,654
Interest revenue	4,992	2,781	7,773
Interest expense	<u>(61,499)</u>	<u>-</u>	<u>(61,499)</u>
Total nonoperating revenues	<u>28,096</u>	<u>2,781</u>	<u>30,877</u>
Loss before transfer	(35,955)	(49,897)	(85,852)
<b>TRANSFER IN (OUT)</b>	<u>21,285</u>	<u>(21,285)</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	(14,670)	(71,182)	(85,852)
<b>NET ASSETS - BEGINNING</b>	<u>1,834,789</u>	<u>1,645,337</u>	<u>3,480,126</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 1,820,119</u>	<u>\$ 1,574,155</u>	<u>\$ 3,394,274</u>

See notes to the financial statements

**Charter Township of Gun Plain**  
**STATEMENT OF CASH FLOWS - proprietary funds**  
Year ended March 31, 2005

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 160,239	\$ 98,104	\$ 258,343
Payments to vendors and suppliers	(163,941)	(105,995)	(269,936)
Payments to employees	(2,100)	(6,000)	(8,100)
Net cash used in operating activities	(5,802)	(13,891)	(19,693)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers	21,285	(21,285)	-
Decrease in amounts due from other funds	85,575	-	85,575
Decrease in amounts due to other funds	-	(85,575)	(85,575)
Net cash provided by (used in) noncapital financing activities	106,860	(106,860)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Collection of special assessment principal	81,234	-	81,234
Collection of special assessment interest	44,654	-	44,654
Debt service charges	39,949	-	39,949
Purchase of capital assets	(42,360)	-	(42,360)
Principal payments on capital debt	(120,000)	-	(120,000)
Interest payments on capital debt	(63,499)	-	(63,499)
Net cash used in capital and related financing activities	(60,022)	-	(60,022)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	4,992	2,781	7,773
<b>NET INCREASE (DECREASE) IN CASH</b>	46,028	(117,970)	(71,942)
<b>CASH - BEGINNING</b>	395,163	269,347	664,510
<b>CASH - ENDING</b>	\$ 441,191	\$ 151,377	\$ 592,568

See notes to the financial statements

**Charter Township of Gun Plain**  
**STATEMENT OF CASH FLOWS - proprietary funds (Continued)**  
Year ended March 31, 2005

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>			
Operating loss	\$ (64,051)	\$ (52,678)	\$ (116,729)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	68,596	42,800	111,396
Decrease in:			
Receivables, net	(11,732)	(741)	(12,473)
Increase (decrease) in:			
Payables	<u>1,385</u>	<u>(3,272)</u>	<u>(1,887)</u>
Net cash used in operating activities	<u>\$ (5,802)</u>	<u>\$ (13,891)</u>	<u>\$ (19,693)</u>

See notes to the financial statements

**Charter Township of Gun Plain**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Charter Township of Gun Plain, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

*a) Reporting entity:*

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

*b) Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

*c) Measurement focus, basis of accounting, and financial statement presentation:*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.



**Charter Township of Gun Plain**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*c) Measurement focus, basis of accounting, and financial statement presentation (continued):*

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Cemetery Fund accounts for funds earmarked for the purpose of maintaining cemeteries within the Township.

The Township reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the Township's sewage collection system.

The Water Fund accounts for the activities of the Township's water distribution system.

Private-sector standards of accounting issued prior to March 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector standards.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds relate to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Charter Township of Gun Plain**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**d) Assets, liabilities, and net assets or equity:**

i) *Bank deposits* - Cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

ii) *Receivables* - In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) *Prepaid items* - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the government-wide financial statements.

iv) *Capital assets* - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and sewer and water systems), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15 - 60 years
Equipment	3 - 5 years
Vehicles	3 - 5 years
Sewer and water systems	50 years
Road improvements	10 - 20 years

v) *Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

vi) *Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, the total levy is recognized as revenue in the current year.

**Charter Township of Gun Plain**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

*Budgetary information* - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year. The Township had no significant budget variations.

**NOTE 3 - CASH AND INVESTMENTS:**

The Township's cash and investments are as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Totals</u>
Deposits	\$ 467,189	\$ 592,568	\$ 1,059,757
Cash on hand	101	-	101
Investments	<u>440,688</u>	<u>-</u>	<u>440,688</u>
	<u>\$ 907,978</u>	<u>\$ 592,568</u>	<u>\$ 1,500,546</u>

*Deposits:*

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township. State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2005, the Township has deposits with a carrying amount of \$1,059,757 and a bank balance of \$1,142,814. Of the bank balance, \$133,401 is covered by federal depository insurance and \$1,009,413 is uninsured.

*Investments:*

State statutes authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper, with three (3) highest rate classifications by at least two (2) rating services, maturing not later than 270 days; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) mutual funds; and f) investment pools organized under the local government investment pool act. Not more than 50% of any mutual fund may be invested in commercial paper.

Investments are carried at fair value and consist of:

Risk categorized funds category (2):	
U.S. Government agency bonds	\$388,806
Non-risk categorized mutual funds:	<u>51,882</u>
	<u>\$440,688</u>

Category 2 includes investments that are held by the counter party's trust department (or agent) in the Township's name, these investments are neither insured nor registered.

**Charter Township of Gun Plain**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 4 - RECEIVABLES:**

Receivables as of year-end for the Township's individual major funds are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property taxes</u>	<u>Inter- governmental</u>	<u>Special assessments</u>
Governmental activities:				
General Fund	\$ 5,573	\$ 17,212	\$ 59,524	\$ -
Cemetery Fund	<u>126</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 5,699</u>	<u>\$ 17,212</u>	<u>\$ 59,524</u>	<u>\$ -</u>
Business-type activities:				
Sewer Fund	\$ 45,672	\$ -	\$ -	\$ 398,386
Water Fund	<u>12,357</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ 58,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 398,386</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,058</u>

All receivables are considered fully collectible.

**Charter Township of Gun Plain**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 5 - CAPITAL ASSETS:**

Capital asset activity for the year ended March 31, 2005, was as follows:

Governmental activities:

Capital assets being depreciated:

Buildings	\$ 409,367	\$ -	\$ -	\$ 409,367
Roads	-	120,962	-	120,962
Equipment and vehicles	485,246	27,447	-	512,693
Total capital assets being depreciated	894,613	148,409	-	1,043,022

Less accumulated depreciation:

Buildings	122,979	8,043	-	131,022
Roads	-	5,376	-	5,376
Equipment and vehicles	367,277	25,804	-	393,081

Total accumulated depreciation	490,256	39,223	-	529,479
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Governmental activities  
capital assets, net

\$ 404,357	\$ 109,186	\$ -	\$ 513,543
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Business-type activities:

Capital assets being depreciated:

Sewer system	\$ 2,869,413	\$ 42,360	\$ -	\$ 2,911,773
Water system	2,124,791	-	-	2,124,791
Office equipment	2,974	-	-	2,974

Total capital assets being depreciated	4,997,178	42,360	-	5,039,538
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Less accumulated depreciation:

Sewer system	640,750	68,549	-	709,299
Water system	668,857	42,800	-	711,657
Office equipment	1,344	47	-	1,391

Total accumulated depreciation	1,310,951	111,396	-	1,422,347
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Business-type activities  
capital assets, net

\$ 3,686,227	\$ (69,036)	\$ -	\$ 3,617,191
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**Charter Township of Gun Plain**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 5 - CAPITAL ASSETS (Continued):**

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	\$ 14,521
Public safety	19,326
Public works	<u>5,376</u>
 Total governmental activities	 \$ <u>39,223</u>

**NOTE 6 - NONCURRENT LIABILITIES:**

At March 31, 2005, noncurrent liabilities are comprised of the following individual issues:

**Business-type activities:**

**Bonds:**

\$325,000 1993 Sewer limited tax general obligation bonds due in annual installments of \$25,000, plus interest at 5.0%; final payment due May 2007	\$ 75,000
 \$690,000 1999 Sewer limited tax general obligation bonds due in annual installments ranging from \$15,000 to \$55,000, plus interest ranging from 4.0% to 5.375%; final payment due November 2019	 560,000
 \$890,000 1999 Sewer special assessment bonds due in annual installments of \$70,000 plus interest ranging from 3.8% to 4.9%; final payment due September 2012	 <u>605,000</u>
 Total business-type activities long-term obligations	 <u>\$1,240,000</u>

Long-term obligation activity for the year ended March 31, 2005, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Business-type activities:					
1993 Sewer revenue bonds	\$ 100,000	\$ -	\$ (25,000)	\$ 75,000	\$ 25,000
1999 Sewer revenue bonds	630,000	-	(70,000)	560,000	70,000
1999 Sewer assessment bonds	<u>630,000</u>	<u>-</u>	<u>(25,000)</u>	<u>605,000</u>	<u>25,000</u>
 Total long-term obligations	 <u>\$ 1,360,000</u>	 <u>\$ -</u>	 <u>\$ (120,000)</u>	 <u>\$ 1,240,000</u>	 <u>\$ 120,000</u>

**Charter Township of Gun Plain**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 6 - NONCURRENT LIABILITIES (Continued):

At March 31, 2005, debt service requirements, excluding compensated absences, were as follows:

<u>Year ended</u> <u>March 31:</u>	<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 120,000	\$ 58,844
2007	125,000	53,432
2008	125,000	47,694
2009	100,000	41,857
2010	105,000	37,232
2011 - 2015	410,000	115,566
2016 - 2020	<u>255,000</u>	<u>42,462</u>
Totals	<u>\$ 1,240,000</u>	<u>\$ 397,087</u>

NOTE 7 - PAYABLES:

Payables as of year-end for the Township's individual major funds are as follows:

	<u>Accounts</u>	<u>Interest</u>	<u>Totals</u>
Governmental activities:			
General	<u>\$ 25,645</u>	<u>\$ -</u>	<u>\$ 25,645</u>
Business-type activities:			
Sewer	<u>\$ 12,787</u>	<u>\$ 16,400</u>	<u>\$ 29,187</u>
Water	<u>2,713</u>	<u>-</u>	<u>2,713</u>
Total business-type activities	<u>\$ 15,500</u>	<u>\$ 16,400</u>	<u>\$ 31,900</u>

**Charter Township of Gun Plain**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 8 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:**

The interfund transfer for the year ended March 31, 2005, is as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Fund</u>	<u>Transfer Out</u>
Cemetery	\$ 25,000	General	\$ 25,000

This transfer moved unrestricted revenues, collected in the General Fund, to the Cemetery Fund in accordance with budgetary authorizations.

**NOTE 9 - RISK MANAGEMENT:**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

**NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN:**

The Township provides pension benefits for its elected officials through a defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate from the date of employment. The Township contributes 15% of each qualified employee's base salary to the plan. The Township's contributions are fully vested immediately. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

The Township made the required contributions of \$13,527 for the year ended March 31, 2005.



**Charter Township of Gun Plain**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 11 - CHANGE IN ACCOUNTING PRINCIPLES:**

Effective April 1, 2004, the Township implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, along with all related statements and interpretations. In connection with the implementation of this statement, the following adjustments to beginning net assets have been made to reflect the cumulative effect of this accounting change:

Net assets, as previously reported	
General and special revenue funds	\$ 972,575
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>404,357</u>
Net assets, as restated	<u>\$ 1,376,932</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Charter Township of Gun Plain**

**BUDGETARY COMPARISON SCHEDULE - General Fund**

Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Property taxes	\$ 326,580	\$ 326,580	\$ 328,830	\$ 2,250
Licenses and permits	81,000	81,000	79,497	(1,503)
Federal grant	150,000	150,000	30,000	(120,000)
State grants	394,910	394,910	390,296	(4,614)
Fines and forfeitures	3,500	3,500	7,113	3,613
Interest and rentals	24,000	24,000	3,135	(20,865)
Other	<u>75,740</u>	<u>75,740</u>	<u>3,356</u>	<u>(72,384)</u>
Total revenues	<u>1,055,730</u>	<u>1,055,730</u>	<u>842,227</u>	<u>(213,503)</u>
<b>EXPENDITURES</b>				
Legislative	12,635	12,635	12,599	36
General government	362,275	362,275	339,179	23,096
Public safety	214,485	214,485	196,794	17,691
Public works	206,604	206,604	197,500	9,104
Community and economic development	9,700	9,700	3,626	6,074
Culture and recreation	7,000	7,000	6,860	140
Capital outlay	<u>141,271</u>	<u>141,271</u>	<u>64,322</u>	<u>76,949</u>
Total expenditures	<u>953,970</u>	<u>953,970</u>	<u>820,880</u>	<u>133,090</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	101,760	101,760	21,347	(80,413)
<b>OTHER FINANCING USES</b>				
Transfer out - Cemetery Fund	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	76,760	76,760	(3,653)	(80,413)
<b>FUND BALANCES - BEGINNING</b>	<u>890,765</u>	<u>890,765</u>	<u>890,765</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 967,525</u>	<u>\$ 967,525</u>	<u>\$ 887,112</u>	<u>\$ (80,413)</u>

**Charter Township of Gun Plain**  
**BUDGETARY COMPARISON SCHEDULE - Cemetery Fund**  
Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Charges for services	\$ 45,100	\$ 45,100	\$ 41,898	\$ (3,202)
Interest	500	500	806	306
Other	15,114	15,114	-	(15,114)
Total revenues	<u>60,714</u>	<u>60,714</u>	<u>42,704</u>	<u>(18,010)</u>
<b>EXPENDITURES</b>				
General government	84,714	84,714	70,521	14,193
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>1,337</u>	<u>(337)</u>
Total expenditures	<u>85,714</u>	<u>85,714</u>	<u>71,858</u>	<u>13,856</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(25,000)	(25,000)	(29,154)	(4,154)
<b>OTHER FINANCING SOURCES</b>				
Transfer in - General Fund	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(4,154)	(4,154)
<b>FUND BALANCES - BEGINNING</b>	<u>81,810</u>	<u>81,810</u>	<u>81,810</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 81,810</u>	<u>\$ 81,810</u>	<u>\$ 77,656</u>	<u>\$ (4,154)</u>